



The
WALT DISNEY
Company

2020 Annual Meeting of Shareholders

MARCH 11, 2020

Disney Speakers:

Bob Iger

Executive Chairman and Chairman of the Board

Bob Chapek

Chief Executive Officer

Alan Braverman

Senior Executive Vice President, General Counsel and Secretary



PRESENTATION

Operator

Ladies and gentlemen, please welcome Disney's Chief Executive Officer, Bob Chapek; and Executive Chairman and Chairman of the Board, Bob Iger.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Good morning, everyone and welcome to Raleigh. It's great to be with all of you here. Raleigh, by the way, is home to one of our owned television stations, ABC-11, WTVD.

Our annual meeting is an event we look forward to every year because it provides us the opportunity to update shareholders on our business, and also show you some of the exciting new things we have in store for Disney fans, like yourselves.

However, given what's going on in the world, we are going to alter our presentation a bit this morning because I think it's fair to say that we're all sobered by the concern we feel for everyone affected by this global crisis.

These are challenging times for everyone. But, it's also important to note that throughout our company's nearly century-long history, Disney has been through a lot - including wars, economic downturns and natural disasters. And what we've demonstrated repeatedly over the years is that we are incredibly resilient. Our future has always been bright and it remains so, for good reason. In fact, when you think about the world today, what we create at The Walt Disney Company has never been more necessary or more important.

I am profoundly grateful for the opportunity that I've had to lead this phenomenal company for the past 15 years as its 6th CEO. And now, I'd like to officially introduce all of you to our new CEO, Bob Chapek. Bob, welcome.



Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

Thank you.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

This is your first annual meeting, too, right?

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

Yes.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

You're going to enjoy it – I hope!

I can't think of a better person to succeed me in this role. Bob is someone we know very well, and he certainly knows our company very well. He has had a distinguished career at our company and is a talented leader during nearly three decades with Disney, with extensive experience across a number of our businesses - from studios, to consumer products, to parks and resorts. And we're certain he will do an outstanding job leading our company into its next century as its 7th CEO.

Bob?

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

Thanks, Bob, and hello everyone.

It is a tremendous honor and privilege for me to assume the role of CEO of what I truly believe is the greatest company on earth, and I'm indebted to Bob and the Board for their confidence and their strong support.



As a member of the senior management team now for over 15 years, I've watched Bob lead this company to amazing new heights, and I've learned an enormous amount from that experience. I feel incredibly fortunate to be able to work closely with him during this transition.

Now I've also been a Disney fan my whole life. I have a deep love for this company and all that it stands for and I look forward to building on its rich legacy. And I want to take an opportunity to thank all of you for your support as well, because you are the reason we do, what we do, every day at Disney.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Now with respect to the agenda for today's meeting, our General Counsel, Alan Braverman, will conduct the business portion first. Then, Bob and I will come back, show you a few things and take your questions.

But before we hand it over to Alan, I'd like to take a moment and acknowledge our Board of Directors, starting with our independent lead director, Susan Arnold. In addition to Susan, we have Mary Barra, Safra Catz, Francis deSouza, Michael Froman, Mel Lagomasino, Mark Parker and Derica Rice. We're grateful for their hard work and their support.

And now we'll turn it over to Alan for the business portion. Alan?

Alan Braverman – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Morning, everyone. This meeting has been duly called and is being conducted in conformity with the laws of Delaware and the Company's charter and bylaws.

If you have already voted by proxy, you don't need to vote again now. But if you haven't voted, or if you want to change your vote, you may do that now. Please raise your hand if you need a ballot to vote. We will have someone collect any ballots cast today at the end of the business portion of the meeting.



Now copies of the rules for the meeting were provided at the registration table, and I would ask that everyone please respect the rules.

We have five items on the agenda today, including one shareholder proposal.

I'll introduce each of the four items and a shareholder representative will present that proposal.

Then, the polls will close, and we will hear a preliminary report from the Inspector of Elections and adjourn the business portion of the meeting.

The Company has retained Broadridge Investor Communications Solutions as the Inspector of Elections for this meeting. I'd now like to introduce Belinda Massafra, a representative of Broadridge, and ask her to report on the number of shares of outstanding votes present at today's meeting.

Belinda Massafra – *Representative, Broadridge*

Thank you, Mr. Braverman. As of the close of business on January 13, 2020, the record date for this meeting, there were 1,805,259,396 shares of common stock outstanding, each of which is entitled to 1 vote. There are at least 1,495,898,862 shares of common stock represented by proxy at this meeting, which represents at least 82% of the total number of shares entitled to vote.

Alan Braverman – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. Based on this report, I declare that a quorum is present, that this meeting is qualified to proceed, and that the polls are now open.

The first item is the election of nine members of the Board of Directors.

Each director holds office for a term of one year.



Each of the current directors, all of whom Bob just introduced to you, is nominated for election at this meeting, and the Board recommends a vote “For” the election of all of the nominees.

The next item is ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered accountants for the current fiscal year, as recommended by the Audit Committee of the Board of Directors.

David Johnson, a representative of PricewaterhouseCoopers, is here today to respond to any questions.

The Board recommends a vote “For” the ratification of the appointment of PricewaterhouseCoopers as the Company’s independent registered accountants for fiscal 2020.

The next item is the advisory vote on executive compensation. Here we are seeking advisory shareholder approval of the compensation of our named executive officers, and the Board recommends a vote “For” this proposal.

The next item is amendment to the Company’s Amended and Restated 2011 Stock Incentive Plan. The Board recommends a vote “For” this amendment to that plan.

The next item is a shareholder proposal presented by the Congregation of the Sisters of St. Agnes. The full text of the proposal is set forth in the proxy statement. I understand that Ebony Perkins, a representative of the shareholder, is here to present this proposal, and I would like to invite her to do so. I would ask that she limit the presentation to five minutes at most.

**Ebony Perkins** – *Shareholder Representative*

Thank you, Mr. Chairperson. I am Ebony Perkins, and I live here in Raleigh, North Carolina. On behalf of the congregation of Sisters of St. Agnes and 8 investor co-filers, I hereby move item 5 asking our company to report on its state and federal lobbying expenditures, including indirect funding of lobbying through trade associations.

We believe transparency and accountability regarding corporate spending to influence public policy are in the best interest of Disney shareholders. How companies like Disney lobby and spend money to impact regulators and legislators should be public, not hidden. Unfortunately, Disney does not issue a comprehensive report about its own direct lobbying. That data is scattered among federal and state regulators and is difficult to obtain. But we do know that since 2010, Disney has spent more than \$37.6 million on federal lobbying. Disney's lobbying, federal lobbying, has been described as so effective that the United States changed its copyright law twice, once in 1976 and again in 1998. But there is incomplete disclosure about spending at the state level, where our company also lobbies.

Disney's lobbying in Florida has been described as the 800-pound mouse, protecting its cheese in the back rooms of city hall and state government. Disney is required to report its lobbying and already has this information in-house. So it could easily provide this information to shareholders.

Disney continues to argue that it has a high ranking in the CPA Zicklin Index, a report that measures political contributions disclosure, but this argument is misleading, since the report looks at political contributions to affect elections and has nothing to do with the lobbying disclosure. We are pleased that Disney has begun to disclose information about its trade associations. Unfortunately, Disney shareholders still face a trade association blind spot, as Disney fails to disclose the full amount for its largest trade association payments that are being used for lobbying.



We don't know if such organizations receive millions of dollars from Disney, it is simply not disclosed, as Disney's new disclosures notably leave out so-called social welfare, or 501 (c) (4) organizations, which can also lobby. Given Disney's lack of complete lobbying disclosure, shareholders remain concerned that company assets could be used for objectives that are contrary to Disney's long-term mission and interest and could pose reputational risks and harm share value.

For example, Disney signed an agreement to work with United Nations Environment to combat and raise awareness around climate change. Yet, the Chamber of Commerce undermined the Paris climate accord. And Disney is a member of the National Restaurant Association, which has spent millions on the state level and has worked with a controversial American Legislative Exchange Council to stop local measures to enact paid sick leave laws.

Proxy adviser ISS supports this proposal. ISS notes that Disney does not disclose how it reconciles reputational risk when its trade associations lobbying activities contradict the company's public positions, and the portions of Disney's trade association payments used for lobbying are not clear. We believe disclosure transparency is a safety mechanism for our company and its reputation as what gets disclosed gets managed.

Full disclosure of Disney's lobbying will ensure proper oversight of our company's lobbying, and we urge shareholders to vote for this proposal. Thank you.

Alan Braverman – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

Now if anyone has not yet voted, and you are holding a ballot, please raise your hand.

[VOTING]



The polls will now close, and I would ask the Inspector of Elections to give us her report based upon the proxies received by the opening of the polls at today's meeting.

Inspector, may we have your report?

Belinda Massafra – *Representative, Broadridge*

Thank you, Mr. Braverman. For item 1, the election of directors, we have received proxies for each director representing at least 92% of the votes cast.

For item 2, ratification of the appointment of PricewaterhouseCoopers, we have received proxies for 96% of shares voting to approve the appointment.

For item 3, relating to executive compensation, we have received proxies for 53% of shares voting to approve the resolution, 46% voting against the resolution and less than 1% abstaining.

For item 4, relating to amendment of the 2011 plan, we have received proxies for 91% of shares voting to approve the proposal, 8% voting against the proposal and less than 1% abstaining.

For item 5, relating to lobbying disclosure, we have received proxies for 33% of shares voting to approve the proposal, 66% voting against the proposal and less than 1% abstaining.

That concludes my report, Mr. Braverman.

Alan Braverman – *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you.

Based upon that report, and subject to the counting of ballots presented at the meeting, and final confirmation of voting results by the Inspector of Elections, I declare that all of the nominees for election to the Board have been duly elected; the appointment of



PricewaterhouseCoopers has been duly ratified; that the advisory resolution on executive compensation is approved; that the amendment to the 2011 Plan is approved; and that the shareholder proposal was not adopted.

That concludes the business portion of the meeting, which is now adjourned. We hope you enjoy the rest of today's presentation.

And with that, I'll turn it back over to Bob Iger and Bob Chapek for the remainder of the presentation. Thank you.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Thanks Alan. So before we take your questions, Bob and I would like to talk about a few things that we're particularly excited about.

One of our company's greatest accomplishments this past year, as many of you know, was the successful launch of Disney+. And we're proud to say the response greatly exceeded our highest expectations. So take a look...

[VIDEO]

As you just saw, we're getting ready to launch Disney+ in several other markets, including in Western Europe on March 24th.

We've also got a broad array of new original content currently in development, including three new series being created by Marvel Studios – *The Falcon and The Winter Solider* and *WandaVision* will debut later this year, and *Loki*, starring actor Tom Hiddleston, will roll out in early 2021.

You are the first to see this clip from *The Falcon and The Winter Solider*.



[VIDEO]

As a company, the decision to pivot to our direct-to-consumer strategy was a critical one and it is a top priority. And we're more confident than ever about the tremendous potential of our full collection of streaming services. ESPN+ is off to a really good start. We're introducing new offerings on Hulu, including "FX on Hulu".

And now, I've got an exciting announcement for you. Last year, the famed director, Peter Jackson, started working on a documentary chronicling the recording of what would be The Beatles' final album. He has more than 55 hours of footage and 140 hours of recordings from the legendary band's studio sessions - most of it never-before-seen or heard - along with their final live performance as a group, the famous concert that took place on the rooftop of Apple's then headquarters on Savile Row in London. *The Beatles: Get Back* is a front-row seat to the inner workings of those genius creators at what was a seminal moment in music history, with spectacularly restored footage that looks like it was shot just yesterday.

I've seen a lot of the footage - and, as a huge Beatles fan myself, I could not be happier that Disney will share this stunning documentary with audiences on September 4th.

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

Thanks, Bob.

Now turning to Parks - we had another fantastic year, highlighted by the opening of our new *Star Wars* lands at both Disneyland and Walt Disney World. Now these lands are incredibly popular and have exceeded our guests' wildest expectations, especially our newest and most technologically advanced attraction, Rise of the Resistance.

For those of you who have not yet experienced it, it really is incredible. So let's take a look...



[VIDEO]

So last week, we opened up our newest attraction, *Mickey and Minnie's Runaway Railway*, at Disney's Hollywood Studios in Orlando. Now this ride uses state-of-the-art technology and visual effects to transform the cartoon world into an incredible multi-dimensional experience.

Now, looking ahead, one of the things we're really excited about is the upcoming opening of Avengers Campus at Disneyland Resort. Now the great storytelling and characters from the Marvel Cinematic Universe are not only in our movies and on Disney+, they're also in our parks.

And we've got a special message for you from one of our fans' favorite superheroes who will play a really big part in the ground-breaking Spider-Man attraction.

[VIDEO]

And that's not the only opportunity that you're going to have to see Spider-Man, because he'll be swinging into action above Avengers Campus, thanks to our amazing "Stuntronic," the advanced robotic technology created by Walt Disney Imagineering.

We can't wait for fans to experience all that this new land has to offer, and I'm thrilled to announce that Avengers Campus will officially open on July 18th.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

I'm excited. How many times have you ridden Rise of the Resistance? A number of times?

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

2 dozen.



Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

I've only been to the California one, but we're leaving tonight to go to Orlando to check that one out.

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

And you'll love it just as much.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Cool. We get to go for free, too.

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

Our Studio delivered another historic performance this past year - shattering their own previous industry record of \$7.6 billion, and crossing \$11 billion in global box office. *Captain Marvel*, *Aladdin*, *Toy Story 4* and *The Lion King*

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Frozen 2, and *Star Wars: The Rise of Skywalker*, each came in at over \$1 billion dollars. The biggest movie of all time, *Avengers: Endgame*, exceeded \$2 billion. And when you add in the 20th Century Fox Studio releases, total global box office exceeded \$13 billion.

And we've got a really great slate of films from our various studios for 2020. We obviously don't have time to highlight them all, but we've chosen just a few to share with you here today.

First, we're looking forward to the upcoming release of Disney's highly-anticipated live-action remake of *Mulan*. This reimagining of the classic Chinese story about a fearless young woman warrior is both inspiring and visually stunning, and you're the first to see a new upcoming spot.



[VIDEO]

Next up is *Black Widow* which comes out on May 1st. This is the film that Marvel fans have been asking for ever since Natasha Romanoff first made her appearance in the Marvel Cinematic Universe in *Iron Man 2*. Featuring an all-star cast that includes Oscar-nominees Scarlett Johansson and Florence Pugh, Oscar-winner Rachel Weisz, and David Harbour, this highly-anticipated, action-packed spy thriller is going to be absolutely fantastic. Just take a look at the new trailer...

[VIDEO]

Following the huge success of *Pirates of the Caribbean*, we've taken another classic Disney adventure to the big screen. And we know this film would be near and dear to Walt Disney himself. Inspired by the famous ride that debuted when Disneyland opened in 1955, *Jungle Cruise* is a hilarious, adventure-filled expedition, starring Dwayne 'The Rock' Johnson and Emily Blunt, and it opens on July 24th. Here's a clip that we brought just for you.

[VIDEO]

Finally, one of the most highly anticipated films of 2020 is famed director Steven Spielberg's adaptation of the classic Broadway musical, *West Side Story* - and it absolutely lives up to its hype. Set in the streets of 1957 New York, this uniquely American version of *Romeo and Juliet* features rival gangs, the Jets and the Sharks, battling for turf, while star-crossed lovers Tony and Maria strive to be together against all odds.

West Side Story will be released in the U.S. on December 18th. You are the first-ever to see footage from this film— so enjoy!

[VIDEO]



Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

At Disney, we're proud to be one of the most admired companies in the world - admired for the quality of our exceptional entertainment experiences and for the way that we conduct ourselves as responsible citizens.

We just issued our CSR Report, which details everything - from what we're doing for the environment through our Disney Conservation Fund, which has directed more than \$100 million in grants over the past 25 years....to our long-standing partnership with Make-a-Wish® and our \$100 million commitment to children's hospitals....as well as our support for veterans, which dates way back to our company's earliest days.

Now, I'd like to take a moment to highlight two noteworthy programs.

First, our ability to do good in the world starts with our cast members and our employees, who create magic every day across our company. Our commitment to them will always be our top priority - and that starts with providing them with real opportunities for advancement and the ability to achieve their career goals. Now we do this in a variety of ways, most notably through our *Disney Aspire* program.

The most comprehensive program of its kind, *Disney Aspire* gives employees the ability to pursue higher education, free of charge - and, in just a year and a half, more than 14,000 of our 94,000-plus eligible employees in the U.S. have already enrolled in classes, and nearly 600 have completed programs or graduated with degrees, and thousands more have expressed interest in taking advantage of this program.

We're proud to be leaders in this space, giving our employees the opportunity to realize the futures that they imagine for themselves. Let's take a look at one cast member's inspiring story.



[VIDEO]

And there are so many others, like Megan, with similar stories.

We're also deeply committed to fostering a rich diversity of voices and experiences - both on screen and among our cast members and employees. This is a priority because it's the right thing to do - and because diversity makes us stronger, more creative, more innovative, and better able to understand and meet the needs of consumers.

And here's a great clip that speaks to the value that we place on diversity.

[VIDEO]

Of course, storytelling is at the heart of everything that we do as a company, and I believe we do it better than anyone.

And as you saw today, this is reflected in the quality of the content that we create, the experiences we provide our guests, and the strong connection that we share with great folks, like all of you, around the world.

Bob and I want to take this opportunity to thank you for your continued support. We really appreciate it. We thank you for joining us here today. And now, we'll be happy to take a few of your questions.

Bob Iger – *Executive Chairman and Chairman of the Board, The Walt Disney Company*

Now before we get started, I just want to tell you all that we really do hear you when you ask questions. At our last annual meeting, it was suggested that a nice way to memorialize Disney Legend Dave Smith – who is the founder of the Walt Disney Archives - was with a window at Disneyland. Now this is an honor that is reserved for very few. We thought it was a great idea,



and today I'm pleased to announce that on June 22nd Dave will get a window on Main Street USA at Disneyland.

Bob Chapek – *Chief Executive Officer, The Walt Disney Company*

All right. With that, we're going to start questions.

**Forward-Looking Statements**

Management believes certain statements in this call may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements such as financial or performance estimates or expectations; the financial impact of certain items, events or circumstances; the anticipated availability, timing, pricing or nature of our goods or services; our business plans; financial commitments; and other statements that are not historical in nature. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements. Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments, asset acquisitions or dispositions, integration initiatives and timing of synergy realization) or other business decisions, as well as from developments beyond the Company’s control, including:

- changes in domestic and global economic conditions, competitive conditions and consumer preferences;
- adverse weather conditions or natural disasters;
- health concerns, including COVID-19, among other health concerns;
- international, regulatory, political, or military developments;
- technological developments; and
- labor markets and activities.

Such developments may affect entertainment, travel and leisure businesses generally and may, among other things, affect:

- the performance of the Company’s theatrical and home entertainment releases;
- the advertising market for broadcast and cable television programming;
- demand for our products and services;
- construction;
- expenses of providing medical and pension benefits;
- income tax expense;
- performance of some or all company businesses either directly or through their impact on those who distribute our products; and
- achievement of anticipated benefits of the TFCF transaction.

Additional factors are set forth in the Company’s Annual Report on Form 10-K for the year ended September 28, 2019 under Item 1A, “Risk Factors,” Item 7, “Management’s Discussion and Analysis,” Item 1, “Business,” and subsequent reports, including, among others, Current Reports on Forms 8-K.

Reconciliations of non-GAAP measures to closest equivalent GAAP measures can be found at www.disney.com/investors.